

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING

September 19, 2006

The Council of the City of Horseshoe Bay held a Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, September 19, 2006, in accordance with duly posted notice of said meeting. Mayor Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Karen Wines, Alderwoman
Buddy Schrader, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Lambert called the Public Meeting to order at 3:00 p.m. with a quorum present. Reverend Pete Christie from the Church at Horseshoe Bay led the invocation. Mayor Lambert then led the pledge of allegiance to the United States Flag and the Texas Flag.
2. Comments from Mayor: Mayor Lambert welcomed the guests and asked that anyone wishing to speak sign in and note the agenda item. He then announced Alderman Wood was absent from the meeting due to being out of town. The Mayor then noted there were eight Public Hearings on the agenda today. He also made an announcement concerning the two moratoriums in place related to some of the Resort properties. Due to other commitments the proposals the Resort anticipated having ready to present to the City prior to the end of the year will not be ready until probably February 2007.
3. Comments from Aldermen: Alderwoman Wines suggested including the Catholic priest in the invocations. Alderman Babcock reminded attendees and the press that the City still needs volunteers for the Lifestyles and Sales Tax Committees.
4. Public Comments: Ryder Warren, Superintendent of Marble Falls Schools gave an update on the Bond Election on the November ballot. Sam Martin gave a brief presentation on a proposed development consisting of 1,617 acres to be developed and annexed into the City.
5. Items to be Removed from Consent Agenda: Alderwoman Wines asked that Item # b.ii be removed from the consent agenda in order to discuss the options available to alleviate the congestion at the entrance. Mr. Bush stated they had received permission from Mr. Herd for an easement allowing an entrance off of Blister Gold. After some discussion Council was confident a solution could be arrived at between the developer and the HSB POA concerning

the traffic on Bay West Boulevard. Alderman Babcock made the motion to approve this item. Alderman Bird seconded the motion. The motion passed unanimously (4-0).

Mr. Babcock asked General Manager Thuss if the revised plans for the five-story building at The Waters had the same firewall and fire prevention techniques still in place as the original plans for the seven story building. Thuss stated they were.

6. Consent Agenda Items: Alderman Babcock made the motion to approve the remaining items on the Consent Agenda.
 - a. Approve Minutes of the August 22, 2006 Public Meeting and the September 5, 2006 Public Meeting
 - b. Final Plat Approval:
 - i. Replat of a Plat of a 6.08 acre tract of land, out of the E.G. Mercer Survey No. 3, Abstract No. 562 in Horseshoe Bay, Llano County, Texas to be known as The Enclave at Horseshoe Bay
 - ii. Replat of Lot No. 15, HSB Applehead Island Plat No. 8.15 and Lot No. 16, HSB Applehead Island Plat No. 8.16 to be known as HSB Applehead Island Plat No. 8.15A
 - iii. Replat of Lot Nos. 43013 and 43014 of HSB Plat No. 43.1 to be known as HSB Plat No. 43.13, Burnet County, Texas
 - c. Meter Reading Service Contract
 - d. Christ-Yoder Animal Shelter Contract
 - e. Building Permit for The Waters, Building #6
 - f. Administration of Emergency Medical Services Contract
 - g. Interlocal Agreement Dispatch Services
 - h. Contract for Animal Control
 - i. Contract for Animal Carcass Removal
 - j. Resolution Establishing Flood Damage Prevention
 - k. Flood Damage Prevention Ordinance
 - l. Resolution Supporting Llano County Unincorporated Area Pursuit of a Llano County Hotel Occupancy Tax Outside the Extraterritorial Jurisdiction of the City
 - m. Agreement with the City of Marble Falls for Automatic Mutual Aid, Fire Protection and Emergency Response

The motion was seconded by Alderwoman Wines. The motion passed by unanimous vote (4-0).

7. Public Hearing on Proposed Budget: Mayor Lambert convened the Public Hearing at 3:33 p.m. He then asked if there were any comments. There were no comments and the hearing was adjourned at 3:34 p.m.
8. Budget for Fiscal Year 10-01-06 through 09-30-07: Mayor Lambert stated the budget consisted of 22 pages and there were several updates from the proposed budget. The Mayor, Alderman Wood and Glenn Jones had done some work on water modeling on the possible effect of the water rate issues consisting of changing the minimum bill to \$20.00 and the more tiered structure of water usage. If the amount of water used does not change, the income from

these changes should result in approximately \$100,000 related to the minimum bill and \$100,000 related to the more tiered rates. He also stressed the need for the City to get additional conservation information out to the citizens. If the income from the sale of water increases substantially then the property taxes would be adjusted accordingly. Impact fees have also been considered in order to provide additional income. A plan is being considered to hire an engineer to develop a Long Range Capital Improvement Plan. After discussion by the Council, Alderman Babcock made the motion to approve the Budget. The motion was seconded by Alderman Bird. The budget was approved unanimously (4-0).

9. Ordinance to Adopt Tax Rate for 2006: Alderman Babcock made the motion to approve. Alderman Bird seconded the motion. The motion passed (3-1) with Alderwoman Wines casting the negative vote.
10. Schedule of Rates and Services: Alderman Schrader made the motion to approve. Alderman Babcock seconded the motion. The motion passed unanimously (4-0).
12. Presentation by Mike Walsh on The Trails of Lake LBJ Phase 3: Mr. Walsh stated they are starting on the third phase of The Trails which consists of 550 acres. They anticipate starting construction in sixty days. There are sixty-nine home sites in the preliminary plan. Mayor Lambert stated that sometime within the next five or six months the City would be asked to approve the preliminary plat, however today's presentation is only for information purposes and could change somewhat. He also stated there may be requests for modifications to zoning.
13. Preliminary Plan of The Trails of Lake LBJ Phase 3: Alderman Bird made the motion to approve the preliminary plan. Alderman Babcock seconded the motion. The motion passed unanimously (4-0).
14. Public Hearing Regarding Zoning Amendment to HSB West Lot No. 10002: Mayor Lambert convened the Public Hearing at 4:08 p.m. He asked if there were any comments. There were none and he adjourned the Public Hearing at 4:08 p.m.
15. Zoning Amendment HSB West Lot No. 10002: Alderman Babcock made the motion to approve. Alderman Bird seconded the motion. The motion passed unanimously (4-0).
16. Public Hearing Regarding Annexation of an 11.09 Acre Tract to be in Escondido: Mayor Lambert convened the Public Hearing at 4:09 p.m. He then asked if there were any comments. There were none and he adjourned the Public Hearing at 4:09 p.m.
17. Public Hearing Regarding Annexation of a 37.861 Acre Tract to be in Escondido: Mayor Lambert convened the Public Hearing at 4:10 p.m. He then asked if there were any comments. There were none and he adjourned the Public Hearing at 4:10 p.m.
18. Public Hearing Regarding Annexation of a 2.69 Acre Tract to be in Escondido: Mayor Lambert convened the Public Hearing at 4:10 p.m. He then asked if there were any comments. There were none and he adjourned the Public Hearing at 4:10 p.m.

19. Public Hearing Regarding Annexation of an 11.09 Acre Tract to be in Escondido: Mayor Lambert convened the Public Hearing at 4:11 p.m. He then asked if there were any comments. There were none and he adjourned the Public Hearing at 4:11 p.m.
20. Public Hearing Regarding Annexation of a 37.861 Acre Tract to be in Escondido: Mayor Lambert convened the Public Hearing at 4:11 p.m. He then asked if there were any comments. There were none and he adjourned the Public Hearing at 4:11 p.m.
21. Public Hearing Regarding Annexation of a 2.69 Acre Tract to be in Escondido: Mayor Lambert convened the Public Hearing at 4:12 p.m. He then asked if there were any comments. There were none and he adjourned the Public Hearing at 4:12 p.m.
22. Petition for Annexation and Service Agreement for 11.09 Acres of Land in Llano County, Texas – Escondido:
23. Petition for Annexation and Service Agreement for 37.861 Acres of Land in Llano County, Texas – Escondido:
24. Petition for Annexation and Service Agreement for 2.69 Acres of Land in Llano County, Texas – Escondido: Mayor Lambert asked that Items 22, 23 and 24 be considered at one time. Alderman Babcock made the motion to approve. Alderman Bird seconded the motion. The motion passed unanimously (4-0).
25. Preliminary Plats: Alderman Babcock made the motion to approve. Alderwoman Wines seconded the motion. The motion passed unanimously (4-0).
11. General Manager's Report: General Manager Mike Thuss thanked the Mayor and Council for their support on the budget. He reported the typical reports were included in the Council's packet. He highlighted the end-of-year budget projection and said the Utility Fund year-to-date revenues are above budget estimates by \$425,000; while the Capital Fund will be under budget due to work that has not been completed. He said he felt overall the Utility Fund will be \$210,000 over their budget expense. When City Attorney Akers was consulted he said that once all the final figures are in, the Council can do a Budget amendment using excess revenues to cover excess expenses. Mayor Lambert stated that the Utility fund revenues and expenses are relative to the amount of water people purchase, therefore when revenues are up, expenses are up. In the General Fund year-to-date revenues are above budget estimates while operations and maintenance expenses are under budget. In the Capital Program the City will finish the Matern Island line replacement project by the end of September. Al Morgenroth is now Field Operations Supervisor. There were no lost time accidents during the past month. There have been ten applicants for the Fire Chief position and he asked for assistance in the selection process. The Mayor will assist. Calvin Tidwell and Brad Casey were named Policeman and Firefighter of the Year respectively by the Marble Falls Rotary Club at their 9/11 Memorial.
26. The Hills III POA for Fire Service Contract: Mike Thuss stated the staff is asking the Council for guidance. The City currently has contracts for out-of-city fire service with several neighboring subdivisions; The Hills I and II, Oakridge, Llano County MUD and these are due to renew next month. If the Council agrees, the staff will come back with the recommended contract at the next Council meeting. Due to a change in the way the budget is now set up, there will be some changes in the way the charges are computed. The Hills Section III has now

asked to also be included in this contract. In the past when this was done, the subdivisions have always been responsible for the cost of extending the necessary water line. After some discussion by the Council, it was agreed the staff could proceed with preparing the contracts to return to the Council for review at the October meeting. The Council would also reconsider continuing to provide this out-of-city service in the future. Mr. Thuss stated The Hills Section III POA has asked that the City install the needed line and allow them to pay for it over a period of several years. After additional discussion it was decided that the City would not provide funds to cover the cost of extending the line and The Hills III POA would have to provide their own funding.

27. Contribution Policy: After some discussion, it was decided that no action would be taken at this time.
28. Subdivision Ordinance: Monte Akers introduced Veronica Rivera as a new addition to their firm. She will be working on the City's subdivision ordinance and brings several years of land use experience with her. He stated the ordinance is not currently ready for Council consideration, however it is progressing. The Mayor stated he would anticipate the design standards and the subdivision ordinance could both be completed in the next three to four months.
29. Adjournment: Alderman Bird made the motion to adjourn the meeting at 4:58. Alderman Schrader seconded the motion. The motion passed unanimously (4-0).

APPROVED this 17th day of October, 2006.

/S/
James E. Babcock, Mayor Pro Tem

ATTEST:

/S/
Toni Vanderburg, City Secretary